

doing this in two years no matter what happens.”

The fate of direct lending in Congress this fall may have more to do with partisan politics than with the merits of either the old guaranteed student loans or the new direct loans. What Bill Goodling objects to the most, it seems, is what he describes as a White House ploy to turn direct lending into “the cornerstone of this president’s term in office.” He points to the multimillion-dollar Education Department publicity campaign—including television commercials, print ads and millions of individual letters to borrowers—trumpeting the merits of what it calls “President Clinton’s New Direct Student Loan Program.” Are the Democrats playing politics with student loans, too? Secretary of Education Richard Riley defends the advertisements, noting that “if the program was a failure, it would surely be President Clinton’s program.”

With both Democrats and Republicans intent on turning direct loans into a political football, students may find themselves facedown in the dust. Which is a shame, because, as Richard Riley puts it, “borrowing is easier and faster, and students I talk to are almost elated about the difference. And it’s clearly a savings for taxpayers.” The banks and guarantee agencies that disagree with Riley are already having their say in Congress; students, so far, have been silent.

Mr. SIMON. Mr. President, it says:

State by State, the guarantee agencies’ record of fraud, conflict of interest and other abuses demonstrates that they are as cavalier with taxpayer dollars year-round as they are with loan checks at the beginning of the semester.

Another quotation:

The fate of direct lending in Congress this fall may have more to do with partisan politics than with the merits of either the old guaranteed student loans or the new direct loans.

It should not be political. One of the things—and I am sure the Senator from Oklahoma, who is presiding, has heard me say this before—one of the things that is bad about Congress, worse than when I came to Congress 21 years ago, is the increasing partisanship on both sides. Both parties are to blame. But this is an issue that should not be partisan. It was originally conceived of by Congressman Tom Petri of Wisconsin, a Republican. I took the idea from him and introduced it in the U.S. Senate.

It is interesting, the “BOND Buyer,” a publication also I do not read regularly, I have to say, Mr. President, talking about this new agreement of a 10-percent limit, says:

This is an important step in the right direction for State guarantee agencies.

I want to take an important step for students, for colleges and universities.

It also points out that these agencies have tax-exempt bonds for those who are interested in the tax-exempt bond market. One of the pluses of direct loans is, frankly, they do not use tax-exempt bonds, so the Federal Treasury gets additional income, one of the things that is not calculated in this skewed calculation we make.

This is one program the President of the United States really understands. He came to my office when he was a candidate, and we talked about this. He gave a speech at Georgetown Univer-

sity about direct lending and how we have to simplify loans and reduce the paperwork and do a better job for the students of the United States. He spoke about it frequently on the campaign trail. He was down in Carbondale, IL, which is near my home, just a few weeks ago at Southern Illinois University and spoke about the program. He has spoken about it at Rutgers and elsewhere.

I hope when we get past the Presidential veto; that we sit down and ask ourselves, No. 1, what is best for the students; No. 2, what is best for the colleges and universities; and No. 3, what is best for the taxpayers. I think if we ask those three simple questions, then I hope we will come to the conclusion the best way is to give people the option: If you want to go with the old program, you can go with the old program. If you want to go with the new program, you can go with the new program. But to say to the schools in Oklahoma and Illinois, three-fourths of you who like the new Direct Loan Program, three-fourths of you are going to have to get rid of that program, I do not think we should do that. Talk about unfunded mandates. They not only reduce paperwork, they reduce the work of personnel in colleges and universities. That is what we ought to be about.

So, Mr. President, I hope we do the right thing after we get through this first phase of reconciliation that is going nowhere, and then sit down and work together and come up with what is sensible for the students, for the future of our country.

It is interesting that some years back, prior to your being here or my being here, Mr. President, right after World War II, there was a big debate among veterans organizations. The American Legion wanted to have an education program, and the other veterans groups wanted to have a cash bonus. Fortunately, the American Legion won out, and we had the GI bill, which has been a huge plus for the country. If we had had the cash bonus, it would have been frittered away, and we would have gotten nothing out of it.

We kind of face the same thing now. Do we cut back on assistance to students, or do we have this tax cut? The tax cut is \$345 billion, and the cutback on students is only \$10 billion. We can have both, but I do not think you build a better, finer America by cutting back on educational opportunities.

THE 30TH ANNIVERSARY OF THE HIGHER EDUCATION ACT—AN UNHAPPY BIRTHDAY

Mr. KENNEDY. Mr. President, 30 years ago today President Johnson signed into law the Higher Education Act of 1965. I served on the committee that approved the bill, and it passed the Senate by voice vote, without opposition.

When he signed the bill at Southwest Texas State College, in San Marcos,

TX, President Johnson noted that: “The President’s signature upon this legislation passed by Congress will swing open a new door for the young people of America. For them, and for this entire land of ours, it is the most important door that will ever open—the door to education.”

Yet today, for the first time in 30 years, we are in danger of closing that door. The Republican budget proposes the largest education cuts in the Nation’s history—\$36 billion over the 7-year budget period. This is an extraordinarily severe cutback that will harm schools and colleges, parents and children across the country.

Under the Republican plan, student loans for college will be cut by \$4.9 billion. The remainder of the cuts will come from Pell grants, College Work Study, Head Start, Title One, Goals 2000, and other initiatives that Congress has passed with strong bipartisan support.

This is no time to cut education. When we passed the Higher Education Act, the post-war baby-boom students were entering college in record numbers. In the years ahead, the sons and daughters of that generation will be applying to colleges in record numbers—yet Congress will be slamming the door on them.

The Republican budget means that 1,000,000 students will lose the chance for Pell grants, or see them reduced in value by 40 percent. It will dismantle the direct loan program that has brought lower costs and better service to students and colleges. It will slash aid to public schools across the country. Cutting education as we enter the information age is like cutting defense at the height of the cold war. It is wrong, and it makes no sense.

For 30 years, we have honored the principle that education is the key that unlocks the American dream. On this anniversary, I urge Congress to recommit itself to that fundamental principle. There is still time to do the right thing for education in the current budget battle.

THE 30TH ANNIVERSARY OF THE HIGHER EDUCATION ACT

Mr. SARBANES. Mr. President, today marks the 30th anniversary of the enactment of the Higher Education Act of 1965 and I am pleased to take this opportunity to comment on what is, in my view, a truly landmark piece of legislation in this country.

Every nation puts a premium on education in order to develop the skills and talents of its people in order to succeed in a modern, complex economic society. That is true whether the country is governed as a democracy or a dictatorship or somewhere in between—each is concerned with enhancing the skills of its people in the workplace. Improving the skills of the American worker and providing education opportunities for all are goals which epitomize the spirit of what it